

FEDERAL COMMUNICATIONS COMMISSION

GEN. Doc. 90-314

WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Jennifer Dunn
House of Representatives
1641 Longworth Building
Washington, DC 20515

Dear Congresswoman Dunn:

This responds to your letter of October 19, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, Giovanna T. Gallottini, Principal of AKT Value Services, Inc., expresses support for reserving a 40 megahertz block of spectrum in each PCS license area for small operators, rural telephone companies, women and minorities; and for establishing a "rural license" permitting these parties to serve rural areas of fewer than 10,000 customers.

On September 23, 1993, the Commission adopted final rules to govern PCS. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and adopted licensing areas based upon Basic Trading Areas (BTAs) and Major Trading Areas (MTAs); 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. The allocation for MTAs is composed of two 30 megahertz frequency blocks, while the allocation for BTAs is composed of one 20 megahertz frequency block and four 10 megahertz frequency blocks. PCS licensees may aggregate up to 40 megahertz of spectrum, except cellular licensees may acquire only 10 megahertz within their service area.

Consistent with the Omnibus Reconciliation Act, in a companion Notice of Proposed Rule Making, PP Docket No. (93-253,) the Commission proposed to award PCS licenses by competitive bidding. The Commission also proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

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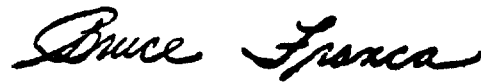
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Honorable Jennifer Dunn

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The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am enclosing the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Franca".

for Thomas P. Stanley
Chief Engineer

Enclosures

JENNIFER DUNN
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**UNITED STATES
HOUSE OF REPRESENTATIVES**

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PUBLIC WORKS AND
TRANSPORTATION COMMITTEE
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HOUSE ADMINISTRATION
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JOINT COMMITTEE ON THE
ORGANIZATION OF CONGRESS

October 19, 1993

**Lauren J. Belvin, Acting Director
Legislative Affairs
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554**

Dear Director Belvin:

Please find enclosed a letter from Giovanna Gallottini a constituent from Washington state. Ms. Gallottini is concerned about reserving licenses for minorities interested in Personal Communications Services.

I have forwarded Ms. Gallottini's letter to you as I feel you are better able to answer her concerns. I look forward to responding to Ms. Gallottini upon receiving input from your office.

Thank you in advance for your attention to this matter.

Best regards,

JENNIFER DUNN
Member of Congress

JD: jkm

AKT VALUE SERVICES INC.

The Honorable Jennifer Dunn
United States House of Representatives
Washington, DC 20515

VIA FACSIMILE 202-225-8673

September 11, 1993

Dear Representative Dunn:

In the Budget Reconciliation Bill, Congress instructed the Federal Communications Commission ("FCC") to ensure that rural telephone companies, small businesses, minorities and women are given the opportunity to obtain licenses to provide Personal Communications Services ("PCS").

I am writing to you as a woman and principal-owner of a small telecommunications business. I have been involved in the telecommunications industry since 1982 and have lived through the breakup of AT&T, deregulation of long distance services, the rise of cellular service, the deployment of the intelligent network and a multitude of regulatory and technological changes.

I believe the licensing of PCS is the first real opportunity for me personally and for my company to participate in a meaningful way in a new service.

My research on PCS on behalf of my small telephone company clients has convinced me that the PCS microcell architecture is uniquely suited to deployment by small operators. By connecting to the existing wireline and wireless networks and by utilizing the power of the intelligent databases, implementation of PCS does not need to wait for nationwide deployment.

The large players will jockey for licenses in the large urban areas, and so they should. For small businesses and women such as myself there are attractive opportunities in smaller, rural areas that today are receiving inferior and expensive service from cellular providers.

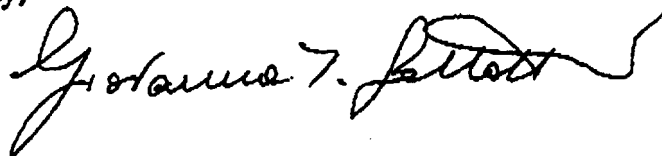
I believe that the timely availability of affordable PCS to all parts of America (an not just the urban areas) will depend on allowing the smaller operators an opportunity to offer these services. Without affirmative action from the FCC, the licensing process may represent yet another step towards the further consolidation of wireless service providers in the USA.

I would greatly appreciate your encouraging the FCC to reserve a 40 MHz block of spectrum in each license area for small operators, rural telephone companies, women and other minorities. Additionally, such "disadvantaged" parties should be allowed to obtain "rural licenses" for areas smaller than the license areas (MSAs/RSAs or BTAs) provided that they serve fewer than 10,000 customers in a rural type of environment.

These provisions would not have harmful effects on other PCS providers or on the Treasury. They would not discourage competition in the provisioning of these services since licenses will be awarded to other providers as well and not just to the small operators. Also, they would not diminish the flow of revenues to the Treasury since the price paid by the small operators would be consistent with that paid by the other licensees for the same area.

We appreciate your consideration and support of this licensing policy, which can greatly benefit the future users of PCS services.

Sincerely,

A handwritten signature in black ink, appearing to read "Giovanna T. Gallottini", with a stylized flourish at the end.

Giovanna T. Gallottini
Principal